

SENATE—Wednesday, February 7, 2001

The Senate met at 10:00 a.m. and was called to order by the Honorable SUSAN M. COLLINS, a Senator from the State of Maine.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

The Lord bless you and keep you; the Lord make His face to shine upon you, and be gracious to you; the Lord lift up His countenance upon you, and give you peace.—Numbers 6:24-26.

Father, we begin this day by claiming this magnificent fivefold assurance. We ask You to make this a blessed day, filled with the assurance of Your blessings. May we live today with the godly esteem of knowing You have chosen us and called us to receive Your love and to serve You. Keep us safe from danger and the forces of evil. Give us the helmet of salvation to protect our thinking brains from any intrusion of temptation to pride, resistance to Your guidance, or negative attitudes. Smile on us as Your face, Your presence, lifts us from fear and frustration.

Thank You for Your grace to overcome the grimness that sometimes pervades our countenance. Instead, may our faces reflect Your joy. May Your peace flow into us, calming our agitated spirits, conditioning our dispositions, and controlling all we say and do. Help us to say to one another, "Have a blessed day," and expect nothing less for ourselves. For 22 years, Arthur "Tinker" St. Clair, Senior Democratic Doorkeeper, has helped this Senate have great days. On the eve of his retirement, we want to thank You for his faithfulness, kindness, and loyalty. Through our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable SUSAN M. COLLINS led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. THURMOND].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 7, 2001.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby

appoint the Honorable SUSAN M. COLLINS, a Senator from the State of Maine, to perform the duties of the Chair.

STROM THURMOND,
President pro tempore.

Ms. COLLINS thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The acting majority leader is recognized.

SCHEDULE

Mr. NICKLES. Madam President, today the Senate will begin a period of morning business until 1 p.m. Following morning business, the Senate will begin consideration of S. 248, the United Nations debt reduction legislation. Senators should be prepared to vote on the legislation at approximately 2 p.m. today. Therefore, those Senators who intend to debate the bill should work with the bill managers to schedule floor time as soon as possible. Senators will be notified as soon as the vote time has been locked in.

I wish to thank my colleagues for their cooperation.

The ACTING PRESIDENT pro tempore. The assistant Democratic leader.

Mr. REID. Madam President, the Senate is getting a lot of important work done. The more we can work without having a lot of quorums, the better off we are. The time for morning business has been used well. I think we had even the beginnings of a good debate on the tax issue. That is important. The American people are looking to Members to come up with something that is important to them and important to the country with the tax issue before the Senate.

With the bipartisan tone that has been set in the early stages of this Congress, I hope the debate will continue to be civil and constructive, and I hope we can come up with something constructive that is the best for the American people.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to exceed the hour of 1 p.m.

Mr. NICKLES. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Ms. COLLINS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. BUNNING). Without objection, it is so ordered.

ARTHUR LEVITT: THE INVESTORS' ADVOCATE

Ms. COLLINS. Mr. President, I rise today to recognize the remarkable public service of the Honorable Arthur M. Levitt, Chairman of the Securities and Exchange Commission, the longest-serving chairman in the history of the SEC. Mr. Levitt will be departing the Commission soon with a proud legacy of accomplishment—a legacy that has made his tenure as Chairman one of extraordinary distinction as well as one of unusual duration.

Correctly seeing his position as a stewardship for the public good, Chairman Levitt has consistently set aside partisan concerns to advocate tirelessly on behalf of the individual investor. He has also implemented changes that have strengthened the public's trust in U.S. securities markets.

Chairman Levitt was first appointed to a five-year term in 1993, and was reappointed in 1998. No stranger to economic issues and the American securities market, he previously had served as Chairman of the New York City Economic Development Corporation, as well as Chairman of the American Stock Exchange. In addition, Mr. Levitt owned a newspaper that is very familiar to those of us who work on Capital Hill: Roll Call.

During his eight-year tenure, Chairman Levitt has consistently worked to deliver the important message that investors must use the increasing amounts of information available to them to do more research before investing. He traveled extensively across the country to spread this message, holding 43 Investors' Town Meetings. At these events, Chairman Levitt took pains personally to educate investors about their rights and their obligations, while giving them the tools they need to invest wisely and to protect themselves from securities scams.

On one particularly memorable occasion in 1998, Chairman Levitt was scheduled to speak at an Investor's Town Meeting in Bangor, Maine. When bad weather thwarted his efforts to

reach Bangor and the nearly 600 Maine citizens awaiting him, Chairman Levitt improvised, answering all of the questions from the audience by phone in what may have been the biggest conference call in the history of the State. In Maine, we truly appreciate a person's ability to overcome the elements.

Chairman Levitt also brought his expertise to Capitol Hill, testifying in 1997 before the Permanent Subcommittee on Investigations, which I chair, about problems in the micro-cap markets—including penny stock fraud—and providing investors valuable insights on how to avoid falling victims to the predators who lie in wait for the unwary. Chairman Levitt testified before my Subcommittee again in 1999, this time on the risks associated with day trading. Investor alertness and diligence have been his watchwords, and his advice in this regard has been consistently sound.

A strong proponent of technological advances, Chairman Levitt worked to promote the use of technology not only in securities transactions, but also in helping inform and educate investors through the Internet. Under his guidance, the SEC's first Web site went online in 1995. Today, it provides valuable information and services—including access to the Electronic Data Gathering Analysis and Retrieval database (also known as "EDGAR"), which contains a large volume of information about public companies, including corporate annual reports filed with the SEC and disclosures of purchases and sales by corporate insiders. The SEC's Web site also has an Investor Education and Assistance service, which advises investors on how to invest wisely and avoid fraud, answers the public's questions, and reviews investors' complaints.

Chairman Levitt has truly been a man for his time. With Americans flocking to take part in what has been the longest bull market in U.S. history, he championed the right of the small investor to a level playing field with the big institutions. Last year, for example, the SEC approved the adoption of a regulation on Fair Disclosure, which requires companies to disclose material, nonpublic information—such as earnings results and projections—simultaneously to Wall Street analysts and the public. This new regulation makes significant strides toward bringing individual investors into the information "loop" on a timely basis.

In addition, Chairman Levitt oversaw the SEC's adoption in 1998 of the Plain English Rule, which requires that public companies and mutual funds prepare the cover page, summary, and risk factor portions of their prospectuses in clear, concise, and understandable English. The Plain English Rule finally makes prospectuses accessible to those outside the small circle of securities lawyers and market professionals accustomed to reading them.

Chairman Levitt has worked to ensure that the small investor gets the best available price. In 1997, the SEC adopted its Order Handling Rule, which places individual investors' bids on an equal footing with those of professional traders on the NASDAQ. This Rule is designed to prevent collusion among dealer and to promote competition in the market. At the same time, Chairman Levitt has overseen the SEC's vigorous efforts to root out Internet securities fraud and bring the perpetrators to justice.

Protecting investors' rights and rooting out securities fraud have long been among my primary interests, and I have been both delighted and very fortunate to be able to work toward these ends with an SEC Chairman who shares a powerful commitment to these goals. Mr. President, while small investors are losing a true friend at the SEC, I am confident that the benefits he brought them will endure for many years to come.

Mr. President, I wish to thank Chairman Levitt for shepherding the securities market into the 21st Century, and ensuring that America's thriving markets are open to all investors, big and small, and are worthy of the public's confidence. I offer him my very best wishes for his future undertakings.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

TAX CUTS INCREASE REVENUE

Mr. INHOFE. Mr. President, as a lot of people have been doing, I have been watching and listening with a great deal of interest to the debate and the brilliant things that have been said about the proposed tax cut.

I think there are three significant things that have not come across in this debate, and I think we need to talk about that and concentrate on it.

One is the myth that if we cut rates, somehow that is going to have the result of cutting revenues. I do not know what we have to do in history to show that is not correct.

The first time that the whole idea—some call it supply side—came out was way back, following the First World War. At that time, it was the Harding administration and the Coolidge administration. They raised money in order to fight the war. And, of course, that was successful. But after the war, they decided that with the war effort gone, they could reduce the taxes. They reduced the top rate from 73 percent to 25 percent. They thought that would have a dramatic reduction in the revenues that were produced around our country. But they were willing to do it. To their surprise—this is the first time they had learned this—the economy, as a result of that reduction from the top rate of 73 percent down to 25 percent, actually grew the economy 59 percent between 1921 and 1929. And

the revenues during that time grew from \$719 million in 1921 to \$1.16 billion in 1928.

Then along came the Kennedy administration. This is the one where I don't understand how liberal Democrats can stand here and ignore the lesson that we learned during the Kennedy administration. Yes, Kennedy wanted more money spent on social programs. And he said on this floor that we needed more money to raise more revenues to pay for all the domestic programs we were getting into, and the best way to increase revenue was to reduce taxes. At that time, the top tax rate was 91 percent.

So he reduced the taxes with the help of Congress from 91 percent down to 70 percent, and exactly the same thing with exactly the same percentages that took place after World War I took place. Tax revenues grew during that period of time, 1961 through 1968, by 62 percent.

I know there are a lot of people who don't want to believe this. I don't want to unfairly attribute a quote to Laura Tyson, but I remember in 1993 she made a statement I interpreted to be: There is no relationship between the taxes that a country pays and its economic performance. Theoretically, if that is true, you could tax Americans 100 percent and they would have the same motivation to stimulate the economy as if they were taxed 50 percent. We knew that is not right.

We had gone through that during the 1960s. For some reason, Democrats today will not acknowledge that. This is a lesson we learned from Democrats. Of course, the 1980s came. In 1980, the total amount of revenue raised to run the United States of America was \$517 billion. In 1990, that was \$1 trillion. It almost doubled in that 10-year-period. Those are the 10 years we had the most dramatic marginal rate reductions in the history of America. If you take just the marginal rates, it was \$244 billion raised in 1980 and \$446 billion raised in 1990. In that 10-year period it almost doubled, and that was dropping the rate from the 70-percent top bracket we inherited from President Kennedy when he brought it from 91 percent to 28 percent.

History has shown it will happen. Never once in the debate do we talk at all about the fact that it will not reduce revenues; it will increase revenues. I have watched this happen over my short lifespan in politics and have been surprised to find this is true. If the money is there, the politicians will spend it.

One of the best political speeches I heard in my life was the first one that Ronald Reagan made, "A Rendezvous With Destiny." I bet some don't remember it at all. In the speech he said, the closest thing to immortality on the face of this Earth is a government program once started. That means if there